

Get more value for less effort with Google Ads Smart Bidding

New ways to connect have created more customer touch points than ever before. These touchpoints bring more data signals, which provide insights to the intent and context of each individual user.

The key to masterful bidding is to adjust your bids based on each user's unique combination of signals. Assessing and adjusting for these manually is time consuming and impossible to do effectively, even for highly skilled account managers.



Work Faster

Leverage machine learning to **rapidly analyze millions of signals** and proactively set real-time, auction-level adjustments.



Work Smarter

Free up your bandwidth to **focus on more impactful, value-adding strategic efforts** by automating routine bid management tasks.



Win More

These strategies help you **achieve an improved performance goal** without surpassing the financial limits you've set.

Manage your bids effectively and efficiently with Smart Bidding

In this guide, we'll cover everything you need to know to implement, measure and optimize your Smart Bidding.

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Set yourself up for success with Smart Bidding

Our Smart Bidding solutions work best when applied to campaigns that follow Google Ads best practices and have proper tracking in place. While none of these items are a prerequisite for Smart Bidding, we highly recommend adhering to the following tips, which will strengthen your bidding performance:

1 For Search Campaigns

Leverage Responsive search ads

Why: With Responsive Search ads all you need is to supply the headlines, descriptions and URLs for your ads, and the system will automatically test each variation and optimize for the best combination of ad assets. This will ensure that it's serving the right ad experience to the right user at the right time, increasing the likelihood of achieving your targets.

► Learn more: [Responsive search ads](#)

Leverage audience lists at the account level

Coming soon in 2019: Smart Bidding algorithm will now automatically incorporate your RLSA 'All Visitors' and 'All Converters' lists at the account level, along with signals from Affinity, Detailed Demographics, and In-Market audiences.

Why: By adding audience lists to your account, our algorithms will automatically incorporate these rich user signals (such as intent, context, recency, etc.) into any campaign running Smart Bidding and automatically adjust bids for your key audiences.

Implement a non-last-click attribution model

Why: Non-last-click models help you accurately understand the value of each interaction with your Google Ads advertising. Smart Bidding automatically assesses these touchpoints and prioritizes those that are most impactful. We recommend using Google's data-driven attribution model, if you meet eligibility requirements.

► Learn more: [Google Ads Attribution Models](#)

Ensure each ad group is focused around a specific theme and directs to a singular landing page

Why: Building ad groups that push users to a singular landing page allows you to be super-targeted with your keywords and ad copy so users see ads that are highly specific to their needs. The more relevant the ads are, the more likely the user is to click through and convert, ultimately helping you meet your conversion goals.

► Learn more: [Ad Group Organization](#)



Remember

- To view individual performance of a list by campaign in your reports (eg. conversions in a campaign driven specifically from 'All Converters' list), apply the audience list at the campaign level as before.
- Overlap between your audience lists poses no issues, as the system can take multiple user lists into account simultaneously and will prioritize according to each individual users' signals.

2

For Shopping Campaigns

If your goal is sales, use Smart Shopping campaigns to automatically maximize conversion value

Why: Get an average of 20% more conversion value¹ for the same cost, while simplifying your campaign management and saving time.

► **Learn more:** [Smart Shopping Campaigns](#)

If your Return On Ad Spend targets vary by product, group products based on similar target return

Why: Easily optimize to your different ROAS targets (applicable to both Standard and Smart Shopping campaigns).

Learn more: [Smart Bidding and Shopping Campaigns](#)

3

For Video Campaigns

Daily budgets should be set to 20 times your Video-CPA and expectation should be that it can take at least 7 days, but generally 14 days for the bidding strategy to normalize and merge towards the target.

Why: As video is often at the beginning of the consumer journey, it can take longer for conversions to be recorded.

► **Learn more:** [Smart Bidding and Video Campaigns](#)



Keep in mind

You do not need to add audience lists to Display campaigns in order for their audience insights to be considered by Smart Bidding algorithms. You should add new audience lists to an existing ad group only if it fits your targeting strategy.

4

For Display Campaigns

Enable responsive display ads in each of your ad groups

Why: All you need is to supply the headlines, logos, images and URLs for your ads, and the system will automatically test multiple ad variations and optimize for the best combination of ad assets across Display.

► **Learn more:** [Responsive display ads](#)

Consider moving to Smart Display campaigns to fully automate all aspects of your Display campaign

Why: Smart Display Campaigns use automated targeting, ad creation and Smart Bidding to optimize your display performance while saving you time. With Smart Display Campaigns, advertisers typically see 20% more conversions¹ at the same CPA when compared to their other display campaigns.

► **Learn more:** [Smart Display campaigns](#)

5

For Search, Display, Video and Shopping Campaigns

Measure conversions accurately

Why: Our Smart Bidding algorithms leverage your conversion data to optimize your bids. To ensure that they are using accurate data, set your conversion tracking up in accordance with our best practices.

► **Learn more:** [Conversion Tracking Setup](#)

Select the best Smart Bidding strategies for your campaigns, based on your marketing goals

Google Ads has various bidding strategies designed to help you achieve your marketing goals. Use the chart below to identify which strategies are the best fits for your campaigns, based on your business' needs.



Maximize conversions

Drive as many conversions as possible within your specified budget

[Learn more](#)



Target CPA

Attain as many conversions as possible, while maintaining your target CPA

[Learn more](#)



Target ROAS

Get the highest conversion value possible at your target **return on ad spend** (ROAS)

[Learn more](#)

Smart Bidding Success Stories

Company
Seer Interactive
(for client, Trex)

Goal
Build brand awareness without adjusting Trex's existing budget

Results
Increased conversion volume by 73% and conversion rates by 59%

Decreased CPA by 42%

[Learn more](#)

Company
Gryps
Offertenportal AG

Goal
Maximize bidding efficiency without adding more time to daily management workflow

Results
Achieved a 38% higher conversion rate
Decreased cost-per-lead by 28%

[Learn more](#)

Company
Résonéo
(for client, Auchan.fr)






Goals
Increase ROAS of Auchan.fr's Shopping campaigns
Maintain high traffic & sales volume

Results
ROAS increased by 34%
Conversion value increased by 80%
Improved operational efficiency for the agency

[Learn more](#)

Google is continuously improving Smart Bidding. For the latest updates, check our help center and talk to your Google representative.

Smart Bidding strategies breakdown

| Non-Automated Bidding Strategies | Semi-Automated Bidding Strategies | Smart Bidding Strategies | | | | | | | | |
|--|--|--|--|---|--------------|-----------------------|-------------|--------------|----------------------|--------------|
|  <p>Manual Bidding</p> |  <p>Enhanced CPC</p> |  <p>Maximize Conversions</p> |  <p>Target CPA</p> |  <p>Target ROAS</p> | | | | | | |
| <p>No Google Ads requirements</p> <p>No real-time/auction-time bidding</p> | <p>Minimum conversions required: 0</p> | <p>Minimum conversions required: 0</p> | <p>Minimum conversions required: 0</p> <p>Best for campaigns that are not budget constrained</p> | <p>Minimum conversions required: 15 conversions¹ passing conversion values through Google Ads in last 30 days.</p> <p>Best for campaigns that are not budget constrained</p> | | | | | | |
| <p>Conversions</p> <table border="0"> <tr> <td>+20% Search</td> <td>[Coming soon] Display</td> <td>+20% Search</td> <td>+20% Display</td> <td>[Coming soon] Search</td> <td>+30% Display</td> </tr> </table> | | | | | +20% Search | [Coming soon] Display | +20% Search | +20% Display | [Coming soon] Search | +30% Display |
| +20% Search | [Coming soon] Display | +20% Search | +20% Display | [Coming soon] Search | +30% Display | | | | | |


Reminder: The majority of Google's Smart Bidding strategies **do not require any conversions in your account history**. This means right at the start of a new campaign, you can leverage Smart bidding to drive performance towards your goals.



Select the best campaigns to move to Smart Bidding

We recommend moving toward full bidding automation, which means **applying a Smart Bidding strategy to every campaign in your account**.

We identify the campaigns that we deem great fits for automation, along with their recommended bid strategies on the Recommendations page (visit yours [here](#)).

 **Keep in mind**

If you're not comfortable moving your top-performing campaigns, start with mid-tier campaigns with high conversion volumes. Remember that Smart Bidding **works well with low or no conversion history** campaigns. We recommend exploring these campaigns as well.

¹Note that these eligibility requirements for Smart Shopping Campaigns may vary across Smart Bidding strategies.

Key things to keep in mind when implementing Smart Bidding

1

Set targets carefully if using Target CPA Target ROAS

Why: Smart Bidding algorithms work best when they're optimizing toward realistic goals.

To set realistic CPA and ROAS goals, consider your historical performance. [We recommend setting your initial targets to your average CPA/ROAS for the past 4 weeks.](#)

2

Limit the number of changes made to your campaign immediately after transitioning

Why: Smart Bidding algorithms leverage your initial campaign setup to drive performance that meets your goals.

[We recommend limiting the changes made to your campaign or landing pages until your learning period is over.](#) Moving forward, we recommend making changes gradually to prevent the campaign from going back into learning mode.

3

Give the Smart Bidding algorithm a chance to learn before assessing results

Why: Smart Bidding algorithms need time to learn and adjust to meet your campaigns goals.

[We recommend waiting until after the learning period is complete,](#) to get an accurate understanding of your performance.

► [Learn more: How to Evaluate Your Performance](#)

4

Identify your learning period

Why: It typically takes one to two weeks for our algorithms to calibrate for a newly implemented strategy, although this depends on the amount of conversion data present. The length of your learning period will impact when you can make changes to your campaign and evaluate your performance.

We'll show you exactly how many days are left in your campaign's learning period in your [bid strategy report](#).

5

Be mindful of seasonality trends

Why: Short-term sales and seasonal events often result in sudden, drastic shifts in performance, which impact your Smart Bidding algorithms. All strategies respond positively to large increases in volume, so **there is no need to adjust your bidding based on volume spikes.**

[If you expect your conversion rate to change drastically for either Search or Display campaigns, reach out to your sales representative for next steps to ensure an easy transition.](#)

► [Learn more: Using Smart Bidding in seasonal events](#)

For Shopping campaigns opted into the target ROAS strategy, consider slightly lowering your ROAS target (5-10%) during times of high seasonality to ensure you're capturing the boost in traffic while remaining competitive.

Using a third party Media platform?
[Review our recommendations](#) for optimal performance with Smart Bidding.

Calculate your pre-evaluation waiting period

To get an accurate understanding of your performance with Smart Bidding, it's important that you don't run your analysis too early.

There are **two factors** that impact how long you should wait before assessment:

1

Learning Period

Our algorithms are constantly learning and adjusting to meet your needs. The more stable, long-term data points they have, the better they can form predictions and optimize to meet your goals.

It typically takes one to two weeks for the algorithm to calibrate for a newly implemented bid strategy, although this largely depends on the amount of conversion data present.

We'll show you exactly how many days are left in your campaign's learning period in your [bid strategy report](#).

2

Time Lag for Conversions

Most clicks don't result in immediate conversions. Know your standard time lag for conversions (the average time it takes for a click to result in an online conversion) and factor this into the waiting period to ensure you're gauging conversion performance accurately.

For search campaigns, identify your time lag by visiting Search attribution reports, setting a 30-day window and looking at the conversion lag from first click.

For display campaigns, set your date range to a 90-day window and [segment your campaign-level conversion data](#) by "days to conversions." Use this data to calculate your average conversion lag.

Add the days remaining in your learning period to your time lag for conversions to understand exactly how long you should wait before running analysis on your campaign. (Check out the image on [page 8](#) for a visualization of this process!)

Need help determining the ideal wait time before evaluating your campaign? Reach out to your Google Ads Representative to get a handy, customizable cheat sheet for help!

Evaluate your bidding performance

After you've allowed sufficient time for the algorithm to learn and your conversions to register, you can begin to analyze your performance. **Here are a few ways to go about doing so:**

| | | |
|---|--|---|
| <p>1</p> <h3>Target Metric Comparison</h3> <p>Check your bid strategy report to see if the campaign is meeting the CPA/ROAS target that you've set.</p> <p>Remember, it's crucial to set realistic targets for the algorithms to optimize toward.</p> <p>Recommended</p> | <p>2</p> <h3>Drafts and Experiments</h3> <p>This feature allows you to test and measure the impact of Smart Bidding on your account by running two nearly-identical campaigns simultaneously; the only difference between these campaigns is that one will be opted into Smart Bidding and the other will be opted into manual bidding.</p> <p>Note: This is currently not fully launched for Shopping</p> | <p>3</p> <h3>Pre/Post Metric Analysis</h3> <p>Compare performance from two weeks before switching to Smart Bidding to that of two weeks after the waiting period identified above. Compare the performance of your key metrics for each of these periods.</p> <p>Keep in mind, there are many additional variables that may be influencing these metrics.</p> |
|---|--|---|

Timeline to evaluate and test bidding performance



*Learning Period can be found in your bid strategy report

**Dependent upon specific campaigns; advertisers can calculate these variables by reviewing the "cheat sheet" on [page 7](#).



Seasonality – Does your performance fluctuate heavily throughout the year, thanks to seasonality? Be sure to take this into account when assessing your performance. [Learn more](#) about using Smart Bidding during seasonal events or reach out to your Google Ads representative for further assistance.

Optimizing for success with Smart Bidding

Remember, the more optimized your account content is, the better the bidding algorithms will perform.

Now that you're spending less time and manpower managing your bids, redirect your efforts to focus on these more strategic forms of account optimization:

Search Campaigns

- Revamp poorly performing [ad creative](#) (and test new ads), particularly for ad groups with low [Quality Scores](#), and ensure that you are running at least three ads per ad group
- Enable at least four [ad extensions](#) per ad group
- Set your [ad delivery to "Standard"](#) (which optimizes your budget by spending it throughout the day)
- Expand and refine your [keyword selection](#)
- Add [negative keywords](#)
- Run [Dynamic Search Ads](#), which use your website to target your ads, helping to fill in the gaps of your keywords-based campaigns
- Make improvements to your mobile and desktop [landing page performance](#)
- Add new, more relevant [audience lists](#) to your campaigns

Display Campaigns

- Consider moving to [Smart Display Campaigns](#) to fully automate all aspects of your Display campaigns
- Set your [ad delivery to "Standard"](#) (which optimizes your budget by spending it throughout the day)
- Revamp poorly performing [ad creative](#) (and test new ads)
- Enable [Display Responsive Ads](#), which automatically adjust their size, appearance and format to scale across all placements and devices
- Make improvements to your mobile and desktop [landing page performance](#)

Shopping Campaigns

- Set your [ad delivery to "Standard"](#) (which optimizes your budget by spending it throughout the day)
- Design a better [mobile shopping experience](#) on your retail website
- Make improvements to your [data feed quality](#)
- Add new, more relevant [audience lists](#) to your Shopping campaigns
- Expand your reach with mid and upper funnel Shopping formats like [Showcase ads](#) and [TrueView](#) for Shopping

Use Smart Bidding during seasonal events (1/2)

Smart Bidding is aware and can handle most seasonal events without manual adjustments. In some cases, however, it can lead to an even better outcome when targets are manually adjusted to reflect your goals to take advantage of the increase in additional traffic. Smart Bidding can also help you stay competitive during seasonal events, leveraging real-time bidding.

Adapting to campaign performance changes

We recognize that you often know in advance, events that may impact the conversion performance of your campaigns during specific periods, and want to understand how to use Smart Bidding during this period. For example, an upcoming weekend sale, a routine website maintenance or a scheduled TV spot during Black Friday.

What to do when you are expecting a large increase in traffic

The more volume, the better for Smart Bidding. If you don't expect conversion rates to change significantly, **no action is needed**. If you're unsure if this is the case or it's a new campaign, please check in with your Google representative.

Important: Ensure campaign budget are not/will not be capped so the whole opportunity is captured.



Keep in mind

"Days to Conversion": View the [Attribution and Time Lag reports](#) within your account to determine what your average conversion cycle is. On average, it takes at least one conversion cycle for Smart Bidding to adjust to performance changes that may result from internal factors like adding new keywords, testing new ad copy, updating landing pages, or external factors like seasonality or competition. [Learn more here.](#)

1

Scenario 1: Longer trends (3+days)

Example: Holiday Season

Default action recommended:

No immediate action required. The shift in conversion rate is gradual in these instances and are addressed by our bid algorithm. Also, Smart Bidding learns from how behavior changes on a particular day of the week in the past, so seasonality due to day of week effects is explicitly accounted for.

2

Scenario 2: Short spikes (24-48 hours)

Example: Black Friday

Default action recommended:

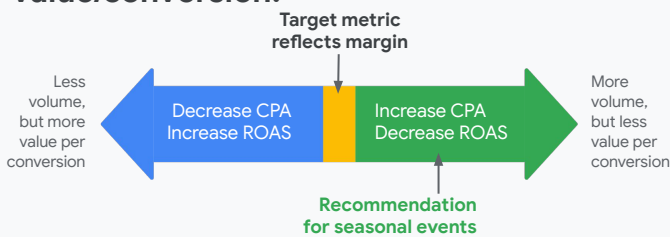
In most cases, no action is required as Smart Bidding can handle short spikes. If you want to support the system because you know that the conversion rate will dramatically change during the short spike, you can change the target metric in accordance with the expected change in conversion rate: Conv. rate: 3% → 6% = x2 Target Metric: Make metric easier to achieve by the same factor (tCPA x2, tROAS x ½). This is not recommended for Video (long conversion lag) and Shopping (automatic adjustments) Campaigns.

Use Smart Bidding during seasonal events (2/2)

Seasonal events are times when you just have to “get it right.” See explanations on the most frequently asked questions below:

1

The trade-off between volume + value/conversion:



Take away: When choosing a target for Smart Bidding, always keep in mind that sales events usually have the goal to maximize volume. This means most businesses are willing to trade margin for volume. Adjust your bidding target accordingly to get more volume!

2

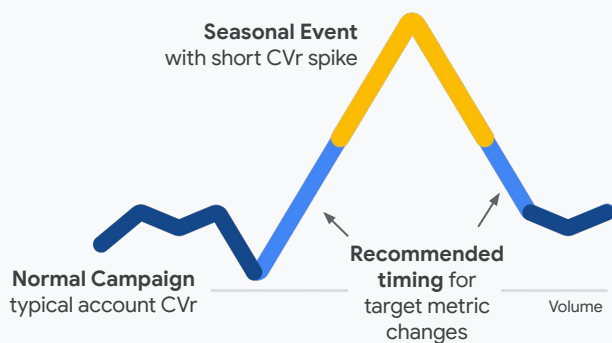
Smart Bidding is the same across all Google networks!

Smart Bidding is a technology that’s driven by Machine Learning: With the help of millions of data-points, patterns can be detected. These patterns help predict which customer would benefit most from which product or service in a certain moment. Based on this prediction, the perfect bid gets placed to help you hit your target metric. This is how Smart Bidding works across all Google networks. Check page 5 of this guide to see which strategies are available for which network.

Take away: Smart Bidding works the same way across Google networks.

3

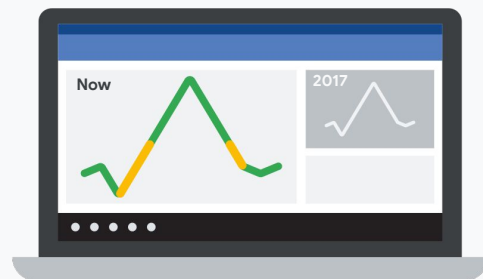
When to adjust what?



Take away: Adjustments to the target metric to support Smart Bidding in adapting to seasonal events should be made right when the campaign’s (for new campaigns: the account’s) Conversion Rate (CVR) deviates from it’s usual average.

4

How to check if we need to adjust something?



Take away: Use past, comparable “Seasonal Events” to understand how CVr changed during the event. Use this data to change your target metric during an upcoming event. If your campaign is new, look at similar campaigns in your account.

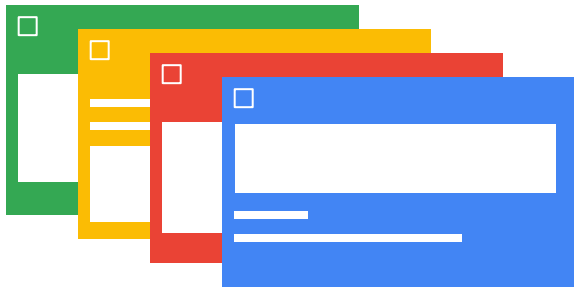


Recommendation

Don't let a low budget get in the way of great Smart Bidding results during a seasonal event!

Make sure you have enough budget for your event. Campaigns restricted on budget will not realize the full Smart Bidding performance.

Appendix



Layering Media Technologies

Using Smart Bidding with a Media Platform

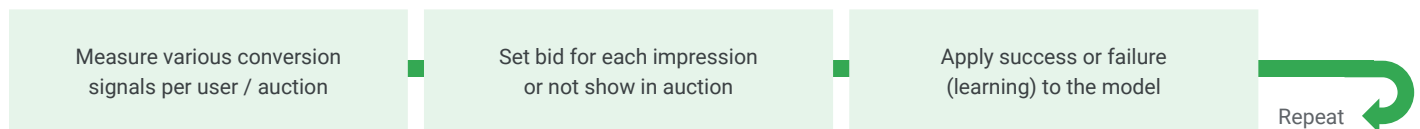
Advancements in Machine Learning today are heavily tailored for Google Ads solutions. This has resulted in minimal use of Google Ads Smart Bidding, Smart Creatives, and Attribution solutions, hindering advertisers' potential performance through Google Ads.

| | | | |
|--|---|--|--|
| Industry Stat: | +20% | +31% | +35% |
| The majority of Google Ads spend runs through a fully automated Smart Bidding strategy, which includes advertisers with a media platform | Max Conv. [Search] Increase in conversions at similar CPA ¹ | Target CPA [Search] Increase in conversions at similar CPA ² | Target ROAS [Shopping] Increase in conversions value ¹ |

Smart Bidding is real time while a Media Platform bids based on averages

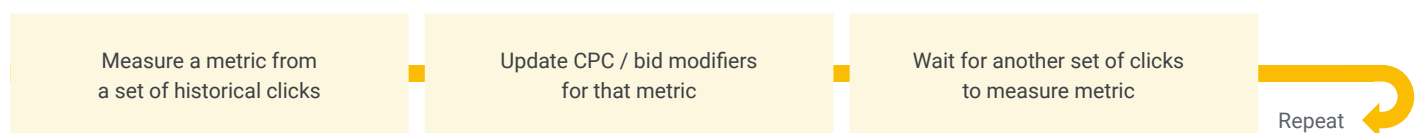
User-centric bidding (Fully Automated Smart Bidding in Google Ads)

Updates with every single auction



Bidding to averages (Manual CPC bidding / Media Platforms)

Updates with each API call (1-3 times a day)



¹ Average uplift across all campaigns

² For lead campaigns following best practices

Some Google Ads formats may be held back by a Media Platform

Certain ad formats also deliver less “bid criteria” for Media Platforms to bid via the API, making Smart Bidding more compelling for certain formats.



Dynamic / Smart Campaigns (DSA, SDC, etc)

- Google Ads currently optimizes for performance through mechanisms that are not biddable in a Media Platform. Therefore, platforms struggle to optimize Smart/Dynamic campaigns.



Display + YouTube

- Platforms also struggle with impression-based formats because the bid criteria is difficult to assign
- Platforms over-index on major bid criteria such as placement & audience



Shopping

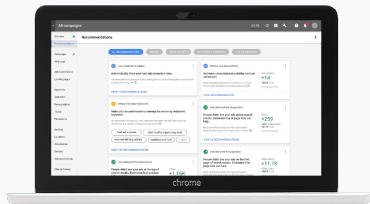
- Shopping relies on product feeds that are automatically generated by Google Ads for each inventory.
- Google Ads uses its unique ability to bid effectively using inventory, conversion likelihood, and predicted value of conversion on each individual product and query.



Search

- Non-brand search has plenty of budget headroom for advertisers. This can help unlock more volume that is eliminated through lost impression share.
- Smart Bidding will set a bid for each search impression, based on conversion likelihood, or not show in auction.

1



The “Recommendations” tab will find the campaigns with predicted uplift by switching to a Google Smart Bidding strategy

Consult with your Google team to find the best bid strategies to achieve your goals

2

Ensure conversion alignment between platforms

Conversion actions in Google Ads should match the ones on the Media Platform. Also, ensure measurement reporting does not vary more than ~20%, and attribution models should be the same or similar.

3

Implement Smart Bidding and sync into Media Platform

Edit the Google campaigns to turn on Smart Bidding inside Google Ads. Consult with your Media Platform rep if there are issues with this.

4

Remove campaign(s) from Media Platform bid strategies

If you are utilizing automated bidding from your Media Platform, remove the Media Platform’s bidding on campaigns that will utilize Google’s Smart Bidding.

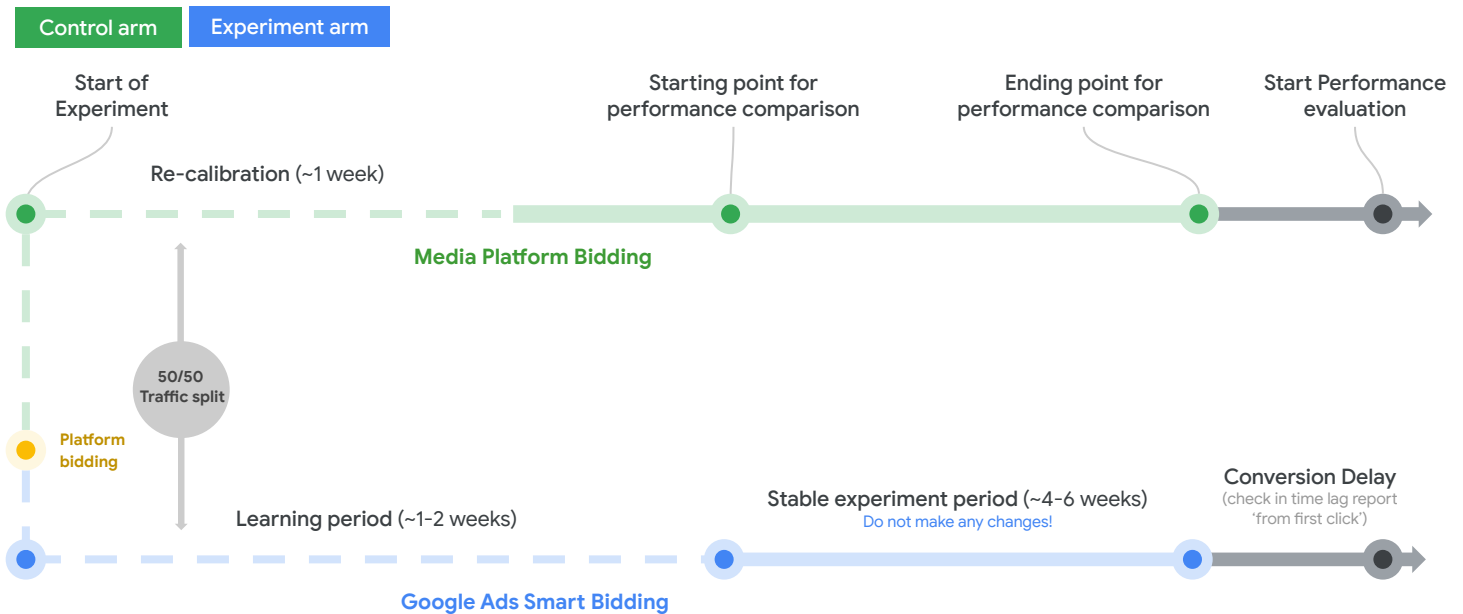
5

Ensure all other Smart Bidding best practices are considered

See other ways to improve Smart Bidding success here, as well as ensure you are analyzing accurately with info here.

How to test with Drafts & Experiments with a Media Platform

To compare Media Platform automated bidding with Smart Bidding, we recommend testing through Drafts and Experiments in Google Ads. Your Media Platform should sync the "Experiment" as a new campaign, but sync with your Platform rep to confirm.



Draft & Experiments Tips

- Choose campaigns via the 'Recommendations' tab. Test on a minimum of 5 campaigns or 10% of traffic (positive/negative performance in 1 campaign can be due to noise).
- Use Cookie Split to ensure that RLSA + NLC models are factored.
- Use D+E report in Google Ads to accurately measure test.
- Don't put an End Date in case you want to extend the test period.
- Give enough time to test!

Why not test Enhanced CPC?

1

eCPC's automated portion still respects bid modifiers.

Media platforms generally over-optimize bid modifiers since they have limited bid criteria to optimize campaigns in Google Ads.

2

eCPC tests may deliver too much noise when assessing, since the system dynamically split tests.

It is far easier to test fully auto Smart Bidding strategies against a Media Platform's bid strategy.